



Foreign Agricultural Service

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## **Colombia**

### **Oilseeds and Products**

# **Andean Community Variable Duties Distort Soy Meal Trade 2001**

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#### **Report Highlights:**

**This report details Colombia soybean and soymeal imports, which are distorted because of variable duties under the Andean Community Price Band System.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Bogota [CO1], CO

For Colombia, the major restriction on imports from the U.S. is the Andean Community Price Band system, which ensures high variable duties on soybeans imported from outside the Community (Venezuela, Colombia, Ecuador, Peru, Bolivia. Currently, for Colombia, the variable duty is capped at 40 percent, an outrageous duty on a basic commodity like soybeans. As a fellow member of the Community, Bolivia is the main supplier of soybeans to Colombia, since its soybeans enter duty free. However, when supply shortages occur in Bolivia, Colombian importers look to others suppliers. Duties applied to soybean imports from outside the Andean Community by the various member countries vary widely, which badly distorts trade patterns in the region.

A considerable amount of soybean meal produced from U.S. soybeans enters Colombia legally from Venezuela. Although a member of the Andean Community, Venezuela assesses no duty on imported soybean from countries outside the Community. This ensures that soybean meal from U.S. soybeans enters Colombia duty free (no Venezuelan import duty when the bean are imported and no duty when the meal is exported to Colombia).

## Colombia Soybean and Soybean Meal Imports - Calendar 2000

	Country	Volume (Metric Tons)	CIF Value (US\$ 1,000)	Meal Equivalent (Metric Tons)	Meal Share (Percent)
<b>A. Soybean</b>	<b>Bolivia</b>	139,646	38,129	108,924	38.3%
	<b>USA</b>	101,900	22,135	79,482	28.0%
	<b>Ecuador</b>	35,074	7,928	27,358	9.6%
	<b>Brazil</b>	10,472	2,252	8,168	2.9%
	<b>Argentina</b>	5,086	1,114	3,967	1.4%
	<b>Peru</b>	35	8	27	0.0%
	<b>Japan</b>	0	0	0	0.0%
<b>Total</b>		<b>292,213</b>	<b>71,566</b>	<b>227,926</b>	<b>80.2%</b>
<b>B. Soybean Meal</b>	<b>Venezuela</b>	<b>56,153</b>	<b>15,957</b>	<b>56,153</b>	<b>19.8%</b>
<b>Total (A+ B)</b>		<b>348,366</b>	<b>87,523</b>	<b>284,079</b>	<b>100.0%</b>

Source: DIAN, Customs Agency

## Colombian Duties and Taxes on Soybean and Soybean Meal (Percent)

	Soybean		Soybean Meal	
	U.S.A.	Andean Pact	U.S.A.	Andean Pact
<b>Basic Duty</b>	15.0	0.0	15.0	0.0
<b>Surcharge ACPBS 1/</b>	25.0	0.0	25.0	0.0
<b>Value Added Tax</b>	1.4	1.4	16.0	16.0
<b>Custom Contribution</b>	1.2	1.2	1.2	1.2
<b>Total</b>	<b>42.6</b>	<b>2.6</b>	<b>57.2</b>	<b>17.2</b>

1/ Basic duty plus surcharge are capped at 40 percent.